

APPENDIX B

Cost Basis Adjustments

Table B-1
Assets Included in Fee Calculation Funded with Debt
as Percent of Total Assets Funded with Debt

	Per 10/21/02 Property Register	CIPs Closed FY 2002 (recurring/non- recurring) ⁽²⁾	Work in Progress @ June 30, 2002 ⁽³⁾	Adjusted Total
Total Assets Funded with Debt	\$ 498,678,519 ⁽¹⁾	\$ 27,141,007 ⁽²⁾	\$ 91,306,258 ⁽³⁾	\$ 617,125,784
Assets Included in Fee Calc. Funded with Debt	\$ 307,571,432 ⁽¹⁾	\$ 23,744,047 ⁽²⁾	\$ 76,632,571 ⁽³⁾	\$ 407,948,050
Assets Included in Fee Calc. as % of Total	61.68%	87.48%	83.93%	66.1%

Sources: ⁽¹⁾ COT Fixed Asset Register ⁽²⁾ Transmittals capitalizing CIPs closed FY 2002
⁽³⁾ WIP @ June 30, 2002 plus Clearwater at buildout

Calculation of Debt Service Principal Credit

Total Water Revenue Bonds Outstanding - June 30, 2002	\$ 309,960,000	
Unspent Proceeds	\$ (28,544,719)	
Projected FY 2003 Bond Fund Spending on Clearwater Renewable Resource Facility	\$ 15,434,800	
Adjusted Bonds Outstanding		\$ 296,850,081
Assets Included in Fee Calc. as % of Total		66.1%
Revenue Bond Debt Credit		\$ 196,231,327
WIFA Funded Projects Included in Calculation		\$ 20,843,352
Debt Service Principal Credit		\$ 217,074,679

Notes:

Calculation of credit = Outstanding debt resulting from assets included in fee calculation:

(a) Water Revenue Bonds—Because debt @ June 30, 2002, included unspent proceeds (from the bond sales in July 2001 and June 2002), an adjustment is needed to determine debt service eligible for credit. Partially offsetting this reduction are the added FY 2003 bond-funded expenditures needed to complete the Clearwater project.

The adjusted debt service is allocated to eligible assets based on the ratio of bond-funded eligible assets to total bond-funded assets.

(b) WIFA Loans—Because WIFA loans were made for specific projects, it was possible to determine the loan proceeds used to fund specific assets and the remaining outstanding debt.

Table B-2
Calculation of Interest Adjustment

Fiscal Year	Total Debt Service Interest	Assets Included in Calculation as % of Total Assets	Interest Expense Assigned to Assets Included in Calculation
1983	\$ 6,432,000	0.661	\$ 4,251,843
1984	\$ 7,089,000	0.661	\$ 4,686,150
1985	\$ 8,955,000	0.661	\$ 5,919,660
1986	\$ 8,764,000	0.661	\$ 5,793,400
1987	\$ 9,793,000	0.661	\$ 6,473,616
1988	\$ 9,147,000	0.661	\$ 6,046,581
1989	\$ 10,938,000	0.661	\$ 7,230,513
1990	\$ 12,559,000	0.661	\$ 8,302,067
1991	\$ 12,427,000	0.661	\$ 8,214,809
1992	\$ 12,780,000	0.661	\$ 8,448,158
1993	\$ 11,452,000	0.661	\$ 7,570,290
1994	\$ 12,430,000	0.661	\$ 8,216,792
1995	\$ 12,331,000	0.661	\$ 8,151,349
1996	\$ 11,973,000	0.661	\$ 7,914,694
1997	\$ 13,257,000	0.661	\$ 8,763,476
1998	\$ 13,120,000	0.661	\$ 8,672,913
1999	\$ 13,003,000	0.661	\$ 8,595,571
2000	\$ 14,271,000	0.661	\$ 9,433,776
2001	\$ 15,096,000	0.661	\$ 9,979,139
2002	\$ 15,786,000	0.661	\$ 10,435,259
Total Interest	\$231,603,000		\$153,100,056

Notes:

Source: *City of Tucson Comprehensive Annual Financial Report*

Calculation of interest: Debt Service interest expense was allocated to eligible assets based on the ratio of bond-funded eligible assets to total bond-funded assets.

OT CAFR: From 1990 on, amounts were taken from the Flow of Funds.
Prior to 1990, they came from the Income Statement.